Public Distribution System in Rural Haryana: A Critical Analysis

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Introduction

India is one of the fastest growing economies in the world. After independence, a lot of efforts have been made by the Government of India to tackle the problem of hunger and food security. The term "Food Security" is defined as the availability of food for all sections of people at all time. Major emphasis has been on increasing the food grains production. Despite this, hunger still persists and India is facing a potential crisis in terms of food security. Several measures have been undertaken to ensure food security at affordable prices to the families living below poverty line. One of such measures has been the Public Distribution System (PDS).

Public distribution system, which is seen as a permanent feature of Indian economy is a food security system, established by the Government of India under the Ministry of Consumer Affairs, Food and Public Distribution. Major commodities distributed under this system are wheat, rice, sugar and kerosene, through a network of Fair Price Shops (FPS). Public distribution system in India is administered under the supervision of the central and state governments. The central government, through Food Corporation of India (FCI) is responsible for the procurement, storage, transportation and allocation of ration to various states. While, the state governments are responsible for allocation of ration within their states, identification of beneficiaries, issuance of ration cards and smooth functioning of fair price shops. PDS is not a new scheme launched in India.

It was first introduced in 2nd world war in 1940. Further, the PDS was systematised during the period of India-china and India-Pak wars when India was facing drought and severe food shortages. To overcome the food scarcity situation, Jagjeevan Ram (Former Agriculture and Food Minister of India) systematised the PDS. The Agriculture Price Commission and Food Corporation of India (FCI) were set up to provide minimum support price to farmers and to improve domestic procurement and storage of food grains for PDS. With the passage of time, several other reforms were carried out by the government in PDS, which have been discussed below.

Till 1992, PDS was a general scheme for all the consumers without any specific target. But in 1992, PDS became Revamped Public Distribution System (RPDS) with the target to provide the benefits of PDS to remote, hilly and backward areas of the country. In 1997, RPDS became Targeted Public Distributed System (TPDS). This system divided the beneficiaries into

two categories-Beneficiaries below the poverty line and beneficiaries above the poverty line. TPDS aims at providing the ration to the beneficiaries below the poverty line at highly subsidised prices from the PDS and ration to the beneficiaries above the poverty line at higher prices.

In order to make TPDS more focused and targeted towards the poorest of the poor category of the population, the Antyodaya Anna Yojana (AAY) was launched in 2000. Under this scheme, the provision was made to provide food grains at a highly subsidised rate of 2 rupees per kg for wheat and 3 rupees per kg for rice to one crore poorest of the poor families covered under TPDS. In September 2013, Parliament enacted the National Food Security Act, 2013. It relies largely on the existing TPDS to deliver food grains as legal entitlements to poor households. This marks a shift by making the right to food a justifiable right.

The department of food and public distribution, in association with all states and UTs except Chandigarh and Delhi is implementing End-to-End computerisation of public distribution system operation. The main target behind it is to bring more transparency in public distribution system. Digitization of ration cards has been completed in all states. The government is in process of online allocation of food grains. Toll-free help lines/online registration facility is available in all states for grievance redressal. Ministry of consumer affairs, food and public distribution has set June, 2020 deadline for implementing the "One Nation, One Ration Card". According to which, a card holder can buy his/her share from anywhere in the country. For this, it is necessary to get the ration card linked with Aadhar for the beneficiaries. Thus public distribution system in India facilitates the supply of food grains and essential commodities to a large number of poor families through a network of fair price shops at subsidised rates. It is the largest distribution network of its type in the world.

The scope of PDS in Haryana was not as wide as today at the time of the formation of the state. With the passage of time, the coverage area and size of this programme have been increasing and the state government has been implementing the reforms in PDS from time to time. The state of Haryana was first to launch the national food security Act 2013 w.e.f. August 20, 2013. The state is implementing the scheme of "End-to-End computerisation" of TPDS operations for online ration card management, allocation, supply chain management; ration distribution through Aadhar enabled public distribution system. The facility of online grievance redressal is being provided by the state government. At present, 2697460 ration cards and 9344 fair price shops are covered by e-PDS in Haryana.

Review of Literature

Bhagyashree (2017) in her study revealed that more than 50 per cent of the respondents were satisfied with overall performance of PDS. A small group of respondents were not satisfied with the functioning of PDS. Mehendren (2013) analysed the customer satisfaction on the food delivery mechanism of universal PDS in Tamilnadu and found that more than three-fifth of the poor families were satisfied with the effective delivery mechanism of universal PDS. In the case study of Chhattisgarh, Puri (2012) revealed that the majority of the households were satisfied with the functioning of their ration shops and were getting their food grains regularly at current prices. On the other hand Ashok and Naveen (2014) in their paper revealed that only a few people were satisfied with the current PDS in Mysore district and most of the people were not purchasing anything from the PDS due to the poor qualities of commodities supplied by PDS. Velmurugan and Lavanya (2017) in their study revealed that a majority of the beneficiaries did not agree on the issue of the quality, quantity and availability of food grains. Due to the dissimilarities in the findings of different studies towards satisfaction level of the beneficiaries, it is decided to analyse the satisfaction level of the beneficiaries towards PDS in Haryana.

Tanksale and Jha (2014) in their study suggested food coupons as a substitute of ration cards and Direct Cash Transfer Scheme as a cost effective option to reduce the excess burden on the government and to bring efficiency in the food security. Sana and Dube (2016) analysed the impact of smart card based e-PDS and revealed that there was significant impact of e-PDS on the transparency. They found that the implementation of digitization is very beneficial to reduce corruption in the system. Bhagyashree (2017) suggested the application of computers, network technology along a vigilant administration to bring efficiency in PDS. Garg and Sunder (2013) suggested smart PDS and mobile technology for improving service delivery in the public distribution system in India. Kumar and Sudheer (2016) in their study of Nellore city in Andhra Pradesh analysed the impact of Information Technology (IT) on the efficiency of PDS and on the basis of respondents' opinion it was found that transparency in PDS increased with the implementation of information technology in the system. In Haryana, digitization of PDS has been done across the state for online ration management, allocation, supply chain management, ration distribution to bring transparency in the system. So it will be interesting to analyse the impact of digitization on the efficiency and transparency of PDS in Haryana.

There have been various issues and challenges in the current public distribution system and implementation of the reforms in PDS. Gupta and Saxena (2015) examined the decision of

the state government of implementation of reforms in PDS by providing the information through SMS on mobile phones to the beneficiaries regarding the delivery of ration through fair price shops to promote transparency in delivery system. The study revealed that the main challenge in the implementation of SMS service through mobile phones was the lack of awareness and illiteracy among the people and suggested the use of local language, organising workshops for the successful implementation of this service. Tanksale and Jha (2015) in their paper analysed the challenges in the implementation of Food Security Act 2013 and found that limited resources and exponentially increasing population, lack of infrastructure, operational inefficiencies and poor performance of PDS were the main hurdles in the implementation of this Act. Balani (2013) highlighted several gaps and challenges in the implementation of targeted public distribution system. The main hurdle was inaccurate identification of households, misclassification of the poor as non poor and vice-versa, leakages during transportation to the ration shop and from the ration shop itself into the open market. Jadhav and Nalawade (2015) in their empirical study of Satara district in Maharashtra analyzed the challenges of Information and communication technology in public distribution system. The results of the study revealed that lack of information about suitable ICT solutions and implementation, high cost of ICT were the major barriers in adopting ICT. The results of the study recognised the need of more training facilities in ICT products and services at an affordable cost, and availability of free professional advice and consultancy at reasonable cost to FPS. From the review of these studies, it is found that various issues and challenges are present in the current public distribution system. The issues vary in different states according to the geographic, economic and demographic characteristics. So it is decided to analyse the issues and challenges in PDS in Haryana in the current study.

Objectives of the Study

The specific objectives of the study will be as given below:

1. To analyse the extent and functioning of public distribution system in Haryana.
2. To analyse the satisfaction level of beneficiaries towards public distribution system in Haryana.
3. To examine the impact of digitization of PDS on the efficiency and transparency of PDS in Haryana.
4. To examine the issues and challenges of public distribution system in Haryana.

Hypotheses

Various studies claimed that the digitization of PDS has a potential to increase transparency and efficiency in the PDS. It is helpful in the correct identification of beneficiaries and in solving the problem of FPS holders and officers. From this general statement a number of hypotheses can be derived, which are as given below:

A. *Beneficiaries' Perceptions*

$H_{11:}$ There is significant impact of digitization on the efficiency of PDS.

H_{12}: There is significant impact of digitization in bringing about transparency in PDS.

B. *FPS Owners/ Dealers' Perceptions*

H_{13}: There is significant impact of digitization on the efficiency of PDS.

$H_{14:}$ There is significant impact of digitization in bringing about transparency in PDS.

Research Methodology

The nature of study will be descriptive type and be based on primary as well as secondary data. Primary data will be collected through structured questionnaires/schedules. At first the representative districts of Haryana will be identified, and then the appropriate techniques will be used to identify blocks, villages and respondents for the study. The secondary data will be collected from Annual Reports, Economic Survey of India, Economic Survey of Haryana, ministry of food and public distribution affairs, books, and journals and different websites etc. After the collection of data from different sources appropriate statistical and mathematical tools will be used for analysis and interpretation of findings.

Significance and Scope of the Study

PDS is a flagship programme of India which meets the objectives of price stability and provides food security to the weaker sections of the economy. Being a major scheme, it is expected from PDS to operate with efficiency and without complaints. The government of India and various state governments have been continuously implementing reforms and amendments in PDS and have spent a huge amount of money in form of food subsidy. The findings of the present study will be useful for the policy makers and government officials to make the system more efficient and in analysing whether the PDS scheme has reached to right beneficiaries and been successful in fulfilling the needs of the weaker sections. The findings of the study will have greater relevance to assess the impact of the implementation of reforms in PDS in Haryana. The present study may be useful for the researchers and academics in their further research on the same topic and other related topics like effectiveness of the

implementation of ‘End- to- End Computerisation’ in PDS and effectiveness of ‘One nation, One Ration Card’ scheme etc.

Chapter Scheme of the Study

The present study will be divided into seven chapters. First chapter will include the introduction part of the study, comprising the meaning and historical background of PDS. The second chapter will comprise the review of the some relevant studies. The third chapter will include methodology and profile of the study area. The fourth chapter will include the extent and functioning of PDS in Haryana. The fifth chapter will include the socio-economic profile and satisfaction level of the beneficiaries of PDS in Haryana. The sixth chapter will discuss the impact of digitization of PDS on the efficiency and transparency of PDS in Haryana and will also discuss the issues and challenges in the current PDS system in Haryana. The seventh chapter will discuss the summary of the findings of the research work and suggestions.

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